

# **DARIEN BUSINESS DEVELOPMENT CORP.**

CONDENSED INTERIM FINANCIAL STATEMENTS  
(Unaudited - expressed in Canadian Dollars)  
For the Three Months ended March 31, 2018 and 2017

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

**DARIEN BUSINESS DEVELOPMENT CORP.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited - expressed in Canadian Dollars)

	Notes	March 31, 2018 \$	December 31, 2017 \$
<b>ASSETS</b>			
Current assets			
Cash		282,554	286,868
GST recoverable		14,883	14,281
		<u>297,437</u>	<u>301,149</u>
Equipment	4	1,785	1,888
<b>Total assets</b>		<u>299,222</u>	<u>303,037</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities	5,7	32,141	23,160
<b>Total liabilities</b>		<u>32,141</u>	<u>23,160</u>
<b>EQUITY</b>			
Share capital	6	15,007,851	15,007,851
Contributed surplus		1,236,455	1,236,455
Deficit		<u>(15,977,225)</u>	<u>(15,964,429)</u>
<b>Total Equity</b>		<u>267,081</u>	<u>279,877</u>
<b>Total liabilities and equity</b>		<u>299,222</u>	<u>303,037</u>

Organization and nature of operations and going concern (Note 1)

**Approved by the Board of Directors**

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"Gunther Roehlig" Director

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"Rob McMorran" Director

**DARIEN BUSINESS DEVELOPMENT CORP.**  
**CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

For the three months ended March 31, 2018 and 2017

(Unaudited - expressed in Canadian Dollars)

	Notes	2018 \$	2017 \$
General and administrative expenses			
Accounting and audit	7	3,635	3,257
Amortization	4	103	129
Consulting fees		-	15,000
Filing and regulatory fees		2,733	-
Legal		6,045	1,380
Office and miscellaneous		280	6,126
<b>Loss and comprehensive loss for the period</b>		<b>(12,796)</b>	<b>(25,892)</b>
<b>Basic and diluted loss per share</b>		<b>(0.00)</b>	<b>(0.00)</b>
<b>Weighted average number of shares outstanding</b>		<b>12,455,815</b>	<b>6,455,815</b>

**DARIEN BUSINESS DEVELOPMENT CORP.**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

For the three months ended March 31, 2018 and 2017

(Unaudited - expressed in Canadian Dollars)

	Number of shares <sup>1</sup>	Amount \$	Contributed Surplus \$	Deficit \$	Total \$
<b>Balance, December 31, 2016</b>	<b>6,455,815</b>	<b>14,410,726</b>	<b>1,236,455</b>	<b>(15,858,832)</b>	<b>(211,651)</b>
Net and comprehensive loss for the period	-	-	-	(25,892)	(25,892)
<b>Balance, March 31, 2017</b>	<b>6,455,815</b>	<b>14,410,726</b>	<b>1,236,455</b>	<b>(15,884,724)</b>	<b>(237,543)</b>
Shares issued during the period	6,000,000	600,000	-	-	600,000
Issue costs	-	(2,875)	-	-	(2,875)
Net and comprehensive loss for the period	-	-	-	(79,705)	(79,705)
<b>Balance, December 31, 2017</b>	<b>12,455,815</b>	<b>15,007,851</b>	<b>1,236,455</b>	<b>(15,964,429)</b>	<b>279,877</b>
Net and comprehensive loss for the period	-	-	-	(12,796)	(12,796)
<b>Balance, March 31, 2018</b>	<b>12,455,815</b>	<b>15,007,851</b>	<b>1,236,455</b>	<b>(15,977,225)</b>	<b>267,081</b>

<sup>1</sup> Post 10:1 share consolidation (Note 6)

**DARIEN BUSINESS DEVELOPMENT CORP.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**

For the three months ended March 31, 2018 and 2017

(Unaudited - expressed in Canadian Dollars)

	<b>2018</b>	<b>2017</b>
	\$	\$
Cash flow provided by (used in)		
Operating activities		
Loss for the period	(12,796)	(25,892)
Add non-cash items:		
Amortization	103	129
	(12,693)	(25,763)
Changes in non-cash working capital items		
GST recoverable	(602)	(918)
Prepaid expenses	-	(1,250)
Accounts payable and accrued liabilities	8,981	11,779
	(4,314)	(16,152)
Financing activity		
Advances received	-	17,000
(Decrease) Increase in cash during the period	(4,314)	848
Cash – beginning of the period	286,868	2,856
Cash – end of the period	282,554	3,704

**DARIEN BUSINESS DEVELOPMENT CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2018 and 2017  
(Unaudited - expressed in Canadian Dollars)

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**1. ORGANIZATION AND NATURE OF OPERATIONS AND GOING CONCERN**

Darien Business Development Corp. (“Darien” or the “Company”) was incorporated under the Alberta Business Corporations Act on November 23, 2004. Effective March 14, 2017, the Company changed its name from Dynamic Oil & Gas Exploration Inc. to Darien Business Development Corp. and the Company consolidated its common shares on the basis of one new common share for every ten old common shares issued and outstanding at that time. All references to share and per share amounts in these financial statements have been retroactively restated to reflect the share consolidation. The Company’s main activities during the three months ended March 31, 2018 were maintaining its public listing and pursuing potential business opportunities as they arise. The Company is listed on the TSX Venture Exchange’s NEX board under the trading symbol “DBD.H”. The Company’s head office is located at Suite 410, 1040 West Georgia Street, Vancouver, BC V6E 4H1.

These condensed interim financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. At March 31, 2018, the Company had accumulated losses of \$15,977,225 since its inception and expects to incur further losses in the development of its business. For three months ended March 31, 2018 the Company experienced a loss of \$12,796 and used \$12,693 of cash in operations before non-cash working capital items. These factors indicate a material uncertainty that casts significant doubt upon the Company’s ability to continue as a going concern and, therefore, that it may be unable to discharge its liabilities in the normal course of business.

While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that financing will be available on terms which are acceptable to the Company. These condensed interim financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

**2. BASIS OF PRESENTATION**

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2017, which have been prepared in accordance with IFRS as issued by IASB.

The Company uses the same accounting policies and methods of computation as in consolidated financial statements for the year ended December 31, 2017. These condensed interim financial statements were approved by the board of directors for use on May 30, 2018.

**DARIEN BUSINESS DEVELOPMENT CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2018 and 2017  
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**3. ACCOUNTING STANDARDS**

The following standard was adopted by the Company during the period:

**IFRS 9 Financial Instruments**

The IASB has issued a new standard, IFRS 9, Financial Instruments (“IFRS 9”), which replaces IAS 39, “Financial Instruments: Recognition and Measurement” (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset or liability is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. For financial assets, the approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. IFRS 9 requires a single impairment method to be used, replacing multiple impairment methods in IAS 39. For financial liabilities measured at fair value, fair value changes due to changes in an entity’s credit risk are presented in other comprehensive income. The adoption of this standard did not have a material measurement or disclosure impact on the Company’ financial statements.

**4. EQUIPMENT**

	Office Equipment \$	Computer Equipment \$	Total \$
<b>Asset cost</b>			
Balance at December 31, 2017	3,146	1,152	4,298
<b>Accumulated amortization</b>			
Balance at December 31, 2017	1,670	740	2,410
Amortization	73	30	103
Balance at March 31, 2018	1,743	770	2,513
<b>Carrying amounts</b>			
At December 31, 2017	1,476	412	1,888
At March 31, 2018	1,403	382	1,785

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	March 31, 2018 \$	December 31, 2017 \$
Trade payables	24,484	19,330
Amounts due to related parties (Note 7)	7,657	3,830
	32,141	23,160



**DARIEN BUSINESS DEVELOPMENT CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

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**6. SHARE CAPITAL**

- a) Authorized: Unlimited common shares without par value.  
Unlimited preferred shares issuable in series.

Effective March 14, 2017, the Company consolidated its common shares on the basis of one new common share for every ten old common shares issued and outstanding at that time. All references to share and per share amounts in these condensed interim financial statements have been retroactively restated to reflect the share consolidation.

- b) Warrants:

A summary of the status of the Company's share purchase warrants as at March 31, 2018 and December 31, 2017 and the changes for the periods then ended is presented below:

	<b>Number of warrants</b>	<b>Weighted average exercise price \$</b>
Balance outstanding – December 31, 2016	-	-
Issued	6,000,000	0.15
<b>Balance outstanding – December 31, 2017 and March 31, 2018</b>	<b>6,000,000</b>	<b>0.15</b>

Details of the warrants outstanding as at March 31, 2018, is as follows:

<b>Expiry date</b>	<b>Exercise price \$</b>	<b>Warrants #</b>
November 7, 2018	0.15	6,000,000

**7. RELATED PARTY TRANSACTIONS**

The Company incurred the following charges with directors and officers of the Company and/or companies controlled by them during the three months ended March 31, 2018 and 2017:

	<b>2018 \$</b>	<b>2017 \$</b>
Accounting fees	3,635	3,257
Consulting fees	-	7,500
	<b>3,635</b>	<b>10,757</b>

Included in accounts payable and accrued liabilities as at March 31, 2018 is \$7,657 (December 31, 2017 - \$3,830) due to current directors and officers of the Company and/or companies controlled by them. The amounts owing are unsecured, non-interest bearing and due on demand.

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During the three months ended March 31, 2017 the Company received \$12,000 in advances payable from a director of the Company. The amounts were non-interest bearing repaid during the year ended December 31, 2017.

Key management includes the directors of the Company. The compensation paid or payable to key management for services during the three months ended March 31, 2018 and 2017 is identical to the table above.